



## Commentary

**"So, Here's What I Think..."**  
**Downtown Planet, Vol. 24, No. 33**  
**Week of December 2, 2002**

**By Susie Thieman, Editor**

As the season of good cheer begins, we find our local airlines starting their season of humbug! During December, it would seem that more people travel interisland than during any other month of the year. We travel to visit family and friends, for Christmas gatherings, to participate in parades, to shop, or just to get away for a few days during the holidays.

So, what have Aloha and Hawaiian airlines come up with for the month of December? It is to be the start of their new cooperative agreement which includes an anti-trust exemption as signed by outgoing Governor Ben Cayetano.

As I understand this agreement, in general terms each airline is guaranteed 50% of the interisland seats and the revenue provided by them. The object of this was to ensure that both airlines would remain viable and not lose money because of the supposed reduced cost of less flights and greater efficiency in route service.

That's a very simplistic view of the whole deal, but suffice it to say, it probably is just shy of government subsidies to ensure interisland access.

As we approached December 1, we heard all kinds of stories from airline personnel about what was going to happen. Again, as I understand it, Aloha, which has traditionally had more than 50% of the passengers in the interisland system (at one time they claimed 67%) has given up 15% of its flights and Hawaiian has not announced any cuts yet because they claim they couldn't get ready in time. Sounds to me like another case of Aloha falling for Hawaiian's pitch and getting the shaft. Happens every time Aloha listens to Hawaiian and tries to work with them. Remember the failed merger plans? At the last minute Hawaiian's management decided they wanted to run the merged airline instead of the outsider who Aloha brought in to organize the merger.

The whole premise for this new agreement was that both airlines were losing money so fast that neither would be flying in the long run if the financial losses weren't stopped. Now I can understand the smaller airline losing money in the market, but why should the airline with the majority of the business be losing money? Bad management, bad union contracts, too much overhead, unrealistic expectations, not keeping up with changes in the market? Maybe some or all of the above!

Let's see what has changed in the last ten-twenty years for the interisland airlines. Major airlines have started bringing in a large number of the tourists directly to neighbor island airports bypassing the old "fly to Honolulu and catch a neighbor island flight to your destination" routine. Did this have an impact on Aloha and Hawaiian? Of course. What did they do to offset the lost of these passengers? Did they do enough? Apparently not!

For those who fly a lot for business, the thought of fewer flights and longer times between flights can create a very expensive cost in

wasted time, having to stay overnight due to no late flights, etc. While passengers make reservations, there will always be times when plans change and with fewer seats available (one airline spokesperson said the airlines will be running with only a 4% margin on seats and will add flights on major travel days as needed).

One monthly commuter-pass user told me that an Aloha spokesperson said recently that they were thinking about doing away with the monthly pass because they didn't think the one time ticket buyer should be subsidizing the commuters. To which another commuter said they take away all of the different fares and run a real commuter airline with lower fares for all.

Just look in any ad for interisland get-a-ways and then tell me who's subsidizing whom! Round-trip airline, car for a day and hotel room for under \$100. But, if you buy just a round-trip plane ticket at a discount travel agency, you pay \$136 for the ticket! Nope, nothing wrong with their pricing structure!

Airlines employees are asked to take pay cuts following years of incremental pay increases per union contracts. Employees being let go at one airline while the other continues to hire for their mainland expansion. Maybe its time for a third airline, one that wants to serve the residents of this fine island state to come in and be creative in both service and pricing. Just maybe Aloha and Hawaiian don't want to be our airlines any more.

*But then, that's just what I think!*



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